

UTAH DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL

1625 South 900 West • PO Box 30408 • Salt Lake City UT 84130-0408 • (801) 977-6800 • Fax 977-6888

Website: www.abc.utah.gov

“ON-PREMISE BANQUET LICENSE” APPLICATION CHECKLIST

The items below must be completed and submitted by the **10th of the month** or earlier, so that your application can be processed in a timely manner. Because there are a limited number of licenses available, you will be notified of the next monthly Utah Alcoholic Beverage Control Commission meeting when your application will be considered. We request that a representative attend the meeting to make a brief presentation.

1. _____ Completed Application form (enclosed).
2. _____ Ownership entity organizational papers for business:
 - a) if a corporation, submit a copy of the articles of incorporation;
 - b) if a partnership, submit a copy of the written agreement;
 - c) if a limited liability company, submit a copy of the articles of organization.
3. _____ Criminal history background check information (see application form).
4. _____ Written consent from either city/town council or county commission whichever is applicable (form enclosed).
5. _____ Evidence of proximity to schools, churches, libraries, playgrounds and/or parks (600').
See #12 on application.
6. _____ Copy of current local business license.
7. _____ **\$10,000** on premise banquet cash or corporate surety bond. (form enclosed).
8. _____ **Certificate** of insurance for public liability and liquor liability “dram shop” coverage
(minimum coverage is \$500,000 per occurrence/\$1,000,000 in the aggregate).
9. _____ Description or scaled floor plan (8-1/2" x 11") and boundary map of the banquet premises, highlighting areas for storage, sale, service and consumption of alcoholic beverages. Hotels: Floor plan of a typical guest room level.
10. _____ **\$250** application fee (non-refundable).
11. _____ **\$500** initial license fee through Oct. 31st of each year (make checks payable to UDABC).

Enclosed are copies of Utah law and commission rules pertaining to on-premise banquet licensees, and a list of factors considered in the evaluation of license applications. If you have any questions concerning these forms or the application process, please contact our DABC Licensing and Compliance Division at (801) 977-6800.

Type of Facility: must meet minimum requirements listed in enclosed copy of Rule R81-4D
☐ Hotel ☐ Resort Facility ☐ Sports Center ☐ Convention Center

- | Property | Address | Measured Distance |
|----------|---------|-------------------|
| <hr/> | | |

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(add additional sheets if necessary)

- [] Applicant is an **individual**: List below information for: (a) Individual
(b) All Managers
- [] Applicant is a **partnership**: List below information for: (a) All Partners
(b) All Managers
- [] Applicant is a **corporation**: List below information for: (a) Any Stockholders
owning at least 20% of
the corporation
(b) All Corporate officers and
directors
(c) All Managers
- [] Applicant is a **limited liability company (LLC)**:

List below information for: (a) Any members owning at
least 20% of the
company
(b) All Managers

TITLE _____ NAME _____ HOME ADDRESS _____
HOME PHONE# _____ DR LIC # _____ DOB _____ SS# _____ %OWNED _____

Are you a United States Citizen? _____ If no, must attach copy of residency status.

TITLE _____ NAME _____ HOME ADDRESS _____
HOME PHONE # _____ DR LIC # _____ DOB _____ SS# _____ %OWNED _____

Are you a United States Citizen? _____ If no, must attach copy of residency status.

TITLE _____ NAME _____ HOME ADDRESS _____
HOME PHONE # _____ DR LIC # _____ DOB _____ SS# _____ %OWNED _____

Are you a United States Citizen? _____ If no, must attach copy of residency status.

TITLE _____ NAME _____ HOME ADDRESS _____
HOME PHONE # _____ DR LIC # _____ DOB _____ SS# _____ %OWNED _____

Are you a United States Citizen? _____ If no, must attach copy of residency status.

14. Criminal History. The Commission may not grant an on-premise banquet license to any person who has been convicted of a felony under any federal or state law or any violation of any federal or state law or local ordinance concerning the sale, manufacture, distribution, warehousing, adulteration, or transportation of alcoholic beverages. The Commission may not grant an on-premise banquet license to any person who has been convicted of any crime involving moral turpitude or, on two or more occasions within the last five years, has been convicted of driving under the influence of alcohol, any drug, or the combination of alcohol and any drug. This proscription also applies to any officers, partners, managers, managing agents, directors, stockholders who hold at least 20% of the total issued and outstanding stock of an applicant corporation, members who own at least 20% of an applicant limited liability company and to any person employed to act in a supervisory or managerial capacity.

Please list *all criminal offenses other than minor traffic offenses* of which you or any of the above persons have ever

been convicted: (also include any pending criminal charges).

NAME	CRIMINAL OFFENSE	DATE OF CONVICTION
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In addition, a criminal history background check must be furnished on each person listed above and in subparagraph 13. This may be done as follows:

a. Utah residents: If any person listed has been a **resident of Utah for at least two years**, he/she shall submit a fingerprint card to the DABC and consent to a fingerprint criminal background check by the Utah Bureau of Criminal Identification.

b. Non Residents: Out of state residents or persons who have resided in Utah for less than two years shall submit a fingerprint card to the DABC and consent to a fingerprint criminal background check by the **Federal Bureau of Investigation (F.B.I).**

An informed consent and release of liability form is included with this application.

Fingerprint cards are available at law enforcement agencies. You may download the fingerprint card at this web address: <http://www.fbi.gov/hq/cjisd/pdf/fpcardb.pdf>

Submit the form(s) to the DABC with a processing fee of:

- \$15.00 per card for BCI background checks, or
- \$34.25 per card for FBI background checks.

In the case of an undue delay in the processing of an F.B.I. criminal background check, here are the rules and procedures for obtaining a third-party national background check: An application that requires F.B.I. criminal history background report(s) may be included on a commission meeting agenda, and may be considered by the commission for issuance of a license, permit, or package agency if:

- 1). the applicant has completed all requirements to apply for the license, permit, or package agency other than the department receiving the F.B.I. criminal history background report(s);
- 2). the applicant attests in writing that he or she is not aware of any criminal conviction of any person identified in the application that would disqualify the applicant from applying for and holding the license, permit, or package agency;
- 3). the applicant has submitted to the DABC the necessary fingerprint card(s) required for the application and consented to the fingerprint criminal background check(s) by the F.B.I.
- 4). the applicant at the time of application supplies the department with a current criminal history background report conducted by a third-party background check reporting service on any person for which an F.B.I. background check is required; and
- 5). the applicant stipulates in writing that if an F.B.I. report shows a criminal conviction that would disqualify the applicant from holding the license, permit, or package agency, the applicant shall immediately surrender the license, permit, or package agency to the department.

A suggested attestation/stipulation letter that satisfies the above requirements is enclosed.

A third-party national criminal background check can be obtained by;

- searching the yellow pages under Background Screening
- searching the internet under Background Screening or Background Checks

Because the DABC is State Agency, we cannot recommend any one background screening service over another. It is your responsibility however, to obtain the most complete, nationwide, criminal history available for the application process.

15. Have you as an applicant, or any proprietor, partner, managing agent, director, officer, stockholder owning at least 20% corporation stock, or if a limited liability company, any member owning at least 20% of the company, had a state alcoholic beverage license, permit, or agency revoked within the last three years? _____ If so please explain:

16. By signing below, the applicant attests that:
- a) the applicant is in compliance with all federal and state laws pertaining to the payment of taxes and contributions to unemployment and insurance funds. The following are tax identification numbers of the business.
- i. State Sales Tax #: _____
- ii. State Payroll Withholding Tax #: _____
- iii. State Dept. of Workforce Services #: _____
- iv. Federal Taxpayer Identification #: _____
- b) the proprietor/applicant is at least 21 years of age.
- c) consent is granted to representatives of the Alcoholic Beverage Control Department, Commission, State Bureau of Investigation (Bureau of Alcoholic Beverage Law Enforcement), and other law enforcement agencies to be admitted immediately and permitted without hindrance or delay to inspect the entire premises and all records of the licensee.
- d) he/she has read and will abide by the provisions of Title 32A, Utah Code, and all rules of the commission and directives of the Department of Alcoholic Beverage Control; and understands that failure to adhere thereto or to no longer possess the qualifications of a licensee may result in suspension or revocation of the liquor license and forfeiture of compliance bond.
- e) the applicant does not and will not discriminate against persons on the basis of race, color, sex, religion, ancestry, or national origin.

17. The undersigned:
- a) acknowledges that he/she has read and understands the statements made herein, and that execution hereof is done voluntarily and by authorization of the applicant/organization, and that any false statement made on this application or any related document is a second degree felony.
- b) hereby makes application to the Utah Alcoholic Beverage Control Commission for an on-premise banquet license and certifies that the information contained herein and attached hereto is true and correct

Date: _____

Applicant/owner of business

Authorized signature

Name/title

STATE OF _____

COUNTY OF _____

Subscribed & sworn to before me this _____
day of _____, _____.

Notary Public

SEAL:

UTAH DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL

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**“ON-PREMISE BANQUET LIQUOR LICENSE”
LOCAL CONSENT**

Date: _____

Attn: DABC Licensing & Compliance Section

_____, ☐ City ☐ Town ☐ County

hereby grants its consent to the issuance of an on-premise banquet liquor license to:

Business Name: _____

Applicant / Business Owner: _____

Location Address: _____

Pursuant to the provisions of Utah Code 32A-4, Part 4, this license allows for the storage, sale and consumption of liquor on the premises. Furthermore, the applicant has met all ordinances and requirements relating to issuance of local business license(s).

☐ *Check if applicable*

LOCAL CONSENT FOR PROXIMITY VARIANCE

In accordance with Utah Code 32A-4-401(6), the local authority also grants consent to a variance regarding the proximity of this establishment relative to a public or private school, church, public library, public playground, or park.

Authorized Signature

Print Name / Title

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“ON-PREMISE BANQUET BOND”

BOND# _____

KNOW ALL PERSONS BY THESE PRESENTS:

That **Principal**, _____, an on-premise banquet licensee, doing business as _____, and **Surety**, _____, a corporation organized and existing under the laws of the state of _____ and authorized to do business in Utah, are held and bound unto the Utah Department of Alcoholic Beverage Control in the sum of **\$10,000**, for which payment will be made, we hereby bind ourselves and our representatives, assigns, and successors firmly by these presents.

Dated this _____ day of _____, _____.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT:

WHEREAS, the above principal has made application to the Utah Alcoholic Beverage Control Commission for an on-premise banquet license pursuant to the provisions of 32A-4, Part 4, Utah Code.

NOW, THEREFORE, if said principal, its officers, agents and employees shall faithfully comply with the provisions of Title 32A, Utah Code, and the rules and directives of the Utah Alcoholic Beverage Control Commission and the Utah Department of Alcoholic Beverage Control, then this bond shall be void; but, if said principal, its officers, agents and employees fail to comply with the provisions of the laws, rules and directives or orders as the commission or department may issue, then this bond shall be in full force and effect and payable to the Utah Department of Alcoholic Beverage Control. This bond shall run for a continuing term effective _____ unless canceled by service of written notice upon the Utah Department of Alcoholic Beverage Control, which cancellation shall be effective 30 days after receipt of such notice; provided however, that no part of this bond shall be withdrawn or canceled while violations, legal actions or proceedings are pending against said licensee/principal.

Surety

Principal/Licensee

Attorney in fact

Authorized signature

{ Corporate Seal }

Name / Title

STATUTORY AFFIDAVIT FOR CORPORATE SURETY

STATE OF: _____

COUNTY OF: _____

On the _____ day of _____, _____, personally appeared before me, _____, who, being by me duly sworn, did say that he / she is the attorney in fact of _____, **Surety**, and that said instrument was signed in behalf of said surety by authority, and acknowledged to me that he / she as such attorney in fact executed the same.

Notary Public Signature & Seal

Note: *Corporate surety's own affidavit also acceptable*

UTAH DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL
ON-PREMISE BANQUET LICENSE APPLICATION
EVALUATION FACTORS

The Alcoholic Beverage Control Department and Commission utilize factors for evaluating a limited restaurant license application, including, but not limited to:

1. Location factors such as:
 - demographics,
 - tourist traffic
 - population to be served,
 - proximity to any educational, religious and recreational facility such as public schools, nursery schools, infant day care centers, trade and technical schools, churches, public libraries, public playgrounds, and parks.
2. Physical characteristics such as:
 - condition of the premises,
 - square footage,
 - parking availability.
3. Management experience:
 - familiarity with food and alcoholic beverage operations,
 - familiarity with financial record keeping,
 - management scheme employed by the restaurant,
 - length of time in operation,
 - past compliance with alcoholic beverage laws and rules.
4. Nature or type of banquet operation:
 - gross sales of food items.
5. Public input.

Note: Keep this sheet and refer to it for presentation before the DABC Commission.

INFORMED CONSENT AND RELEASE OF LIABILITY

PURPOSE: To determine, in accordance with Utah Code 32A-1-702 and 32A-1-703, if an applicant with the Department of Alcoholic Beverage Control has been:

- convicted of a felony under federal or state law;
- convicted of a violation of a federal law, state law, or local ordinance concerning the sale, manufacture, distribution, warehousing, or transportation of an alcoholic beverage;
- convicted of a crime involving moral turpitude;
- convicted on two or more occasions within the previous five years, driving under the influence of alcohol, a drug, or the combined influence of alcohol and a drug.

RELEASE

I hereby authorize the Department of Alcoholic Beverage Control (DABC) to investigate my criminal history records to ascertain any and all information which may be pertinent to my qualifications as an applicant with the DABC. The release of any and all information is authorized whether it is of record or not, and I do hereby release all persons, firms, agencies, companies, groups or installations, whomsoever, from any damages of or resulting from, furnishing such information to the DABC. I further agree that a copy of this release will remain in my application file.

Name (please print; last, first, middle initial)

Formerly used last names (please print)

Applicant/ doing business as

Signature

Date

(suggested attestation/stipulation letter to the DABC for a third-party national criminal background check)

Date: _____

To whom it may concern:

I, _____, attest:

- 1. That I have submitted to the DABC the necessary fingerprint card(s) required for the application and consented to the fingerprint criminal background check(s) by the F.B.I.**
- 2. That I am not aware of any criminal conviction that would disqualify me from applying for and holding a Utah Department of Alcoholic Beverage Control license or permit.**

I stipulate that if an F.B.I. report shows a criminal conviction that would disqualify me from holding the license, permit, or package agency, I shall immediately surrender the license, permit, or package agency to the department.

I am enclosing a national criminal history background report from a third party background check reporting service.

Signature

Name/Title

Sales Tax Information for Liquor License Holders

The prices of liquor, wine, and heavy beer at the liquor stores and package agencies do not include sales tax. The sales tax will be added at the cash register when members of the general public shop in a liquor store or package agency and bring their purchases to the cash register. License holders (licensees) that make purchases at the cash register will be charged sales tax just like the general public.

Licensees may purchase liquor from the department without paying the sales tax under these two conditions:

1. The licensee must file tax commission form TC-721 with the DABC. A copy of this form is included in this application packet. Once filed, the licensee can buy liquor, wine, and heavy beer exempt from sales tax at any DABC owned and operated state liquor store. If the licensee buys from a local package agency that is a “contracted store” (not owned or operated by the DABC), the licensee has to file form TC-721 with the package agency in order to be able to purchase “sales tax exempt”; *and*
2. The licensee must adhere to the liquor order procedures established by the DABC commission as follows:
 - (a) Commission rule requires that orders must be placed in advance to allow department personnel sufficient time to assemble the order. The order shall include the business name of the licensee, department permit number, and list the products ordered specifying each product by code number and quantity. The order may be telephoned or faxed to the store or agency.
 - (b) The licensee shall allow at least four hours for department personnel to assemble the order for pick-up. When the order is complete, the licensee will be notified by phone and given the total cost of the order. The licensee may pay for the product in cash, company check, cashier’s check, or debit card with a PIN.
 - (c) The licensee or the licensee’s designee shall examine and sign for the order before it leaves the store, agency or satellite warehouse to verify that the product has been received.
 - (d) Merchandise shall be supplied to the licensee on request when it is available on a first come first serve basis. Discounted items and limited items may, at the discretion of the department, be provided to a licensee on an allocated basis.



Utah State Tax Commission
Exemption Certificate
(Sales, Use, Tourism and Motor Vehicle Rental Tax)

TC-721
Rev. 5/06

Name of business or institution claiming exemption (purchaser)		Telephone Number	
Street Address	City	State	ZIP Code
Authorized Signature	Name (please print)	Title	
Name of Seller or Supplier: Department of Alcoholic Beverage Control		Date	

The person signing this certificate **MUST** check the applicable box showing the basis for which the exemption is being claimed. Questions should be directed (preferably in writing) to Taxpayer Services, Utah State Tax Commission, 210 N 1950 W, Salt Lake City, UT 84134. Telephone (801) 297-2200, or toll free 1-800-662-4335.

DO NOT SEND THIS CERTIFICATE TO THE TAX COMMISSION
Keep it with your records in case of an audit.

Sales tax account numbers with an "H" prefix are not to be used for tax-free purchases for resale or re-lease.

RESALE OR RE-LEASE

Sales Tax License No. _____

I certify I am a dealer in tangible personal property or services that is for resale or re-lease. If I use or consume any tangible personal property or services I purchase tax free for resale, or if my sales are of food, beverages, dairy products and similar confections dispensed from vending machines (see Rule R865-19S-74), I will report and pay sales tax on the proper cost thereof directly to the Tax Commission on my next regular sales and use tax return.

COMMERCIAL AIRLINES

I certify the food and beverages purchased are by a commercial airline for in-flight consumption; or, any parts or equipment purchased are for use in aircraft operated by common carriers in interstate or foreign commerce.

RELIGIOUS OR CHARITABLE INSTITUTION

Sales Tax Exemption No. N _____

I certify the tangible personal property or services purchased will be used or consumed for essential religious or charitable purposes. This exemption can only be used on purchases totaling \$1,000 or more, unless the sale is pursuant to a contract between the seller and purchaser.

To be valid this certificate must be filled in completely, including a check mark in the proper box.

A sales tax license number is required only where specifically indicated.

Please sign, date and, if applicable, include your license or exemption number.

NOTE TO SELLER: Keep this certificate on file since it must be available for audit review.

NOTE TO PURCHASER: Keep a copy of this certificate for your records. You are responsible to notify the seller of cancellation, modification, or limitation of the exemption you have claimed.

DO NOT SEND THIS CERTIFICATE TO THE TAX COMMISSION

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website: www.abc.utah.gov

On-premise Banquet License Summary

*Note: This is general information only and should not be considered conclusive.
For further detail, please consult Title 32A of the Utah Code and the Rules of the Commission.*

An on-premise banquet license allows the storage, sale, service, and consumption of liquor, wine, heavy beer, and beer for banquet activities on the premises of a hotel, resort facility, sports center, or convention center. It also allows for room service in hotels and resorts. Licenses run from November 1 to October 31. The total number of licenses allowed by law is one per 30,000 people in the state.

Requirements for Banquets

Contract Required

- An on-premise banquet licensee may serve alcoholic beverages pursuant to a contract with the host of a banquet in a variety of formats: hosted bar, cash bar, dinners, etc.

Food Requirement

- Each on-premise banquet licensee shall maintain at least 50% of its total annual banquet receipts from the sale of food.

Supervision

- A licensee's employee must remain at a banquet when alcoholic beverages are being sold, served, and consumed.

Sale and Service of Alcoholic Beverages at a Banquet

(1) Liquor Sales

- (a) The primary liquor in a mixed drink may be dispensed from any size bottle, but only in quantities **not to exceed** 1.5 ounces through a department approved calibrated metered dispensing system or device.
- (b) Liquor used as a secondary flavoring need not be dispensed through the dispensing system. Liquor stored and used as flavorings must be clearly labeled "flavoring".
- (c) The total amount of spirituous liquor in a beverage (including both the primary liquor and any secondary flavorings) may not exceed 2.5 ounces of spirituous liquor.

(2) Wine Sales

- (a) Wine may be sold and served by the bottle or container in sizes not exceeding 1.5 liters.
- (b) Wine may be served by the glass or individual portion in quantities not exceeding 5 ounces. An individual portion (i.e. flights) may be served to a patron in more than one glass as long as the total amount of wine in the individual portion does not exceed 5 ounces.
- (c) Wine may be poured by the glass from any size bottle or container and need not be dispensed through a dispensing device.
- (d) Banquet attendees who have purchased bottled wine may serve themselves or others at their table.

(3) Heavy Beer Sales: Heavy beer may be served in original containers not exceeding one liter.

(4) Flavored Malt Beverage Sales: Flavored malt beverages may be served in original containers not exceeding one liter.

(5) Beer Sales: Light beer may be served in any size container not exceeding 2 liters and on draft. Beer may be sold by the pitcher (up to two liters) to two or more patrons, but may be sold to an individual patron only in a container that does not exceed one liter.

Limitation on Total Number of Drinks

- Each banquet attendee may have no more than one spirituous liquor drink before the patron at a time (i.e. no “sidecars”).
- Each banquet attendee may have no more than two alcoholic beverages of any kind at a time before the patron.

Discounting Practices Prohibited

- Liquor may not be sold at a discount at any time.
- Other discounting practices are prohibited that encourage over-consumption of alcohol (i.e. “happy hours”, “two for ones”, “all you can drink for a set price”, free alcohol, or selling at less than cost).
- An on-premise banquet licensee or employee may not purchase an alcoholic beverage for a patron.

Consumption on the premises

- A banquet attendee may not remove any alcoholic beverages from the premises of a banquet.

“Brown Bagging”

- Patrons may not bring any alcoholic beverages into or onto the premises of a banquet.

Unsold Alcoholic Beverages

- Unsold alcoholic beverages may not be left at a banquet at its conclusion.
- Alcoholic beverages that are open and unused that are *not* in saleable condition shall be destroyed.
- Unopened alcoholic beverages or alcoholic beverages that are open and unused that *are* in saleable condition shall be returned to the banquet licensee’s approved locked storage area and may be used at more than one banquet.

Advance Notice of Scheduled Banquets

- Banquet licensees shall file with the department at the beginning of each quarter a report containing advance notice of events or functions to be held under a banquet contract that have been scheduled for that quarter.

Warning Sign

- Each on-premise banquet licensee shall prominently display at each banquet, a sign in at least half inch bold letters stating: “Warning: Driving under the influence of alcohol or drugs is a serious crime that is prosecuted aggressively in Utah.”

Requirements for Room Service

- Delivery of alcoholic beverages shall be made in person to an adult guest in the guest room of a hotel or resort facility.
- Alcoholic beverages may not be left outside the guest room for retrieval by a guest.
- Alcoholic beverages may only be provided in sealed containers.

General regulations: Banquets and Room service**Advertising**

- The advertising of alcoholic beverages must comply with the guidelines in Rule R81-1-17.

Sales Hours

- Alcoholic beverages may be sold on any day from 10 a.m. until 1 a.m.
- The alcoholic beverage storage area must remain locked at times when alcohol sales are not permitted.

Employees

- Any employee handling alcoholic beverages must be twenty one years of age or older.
- Servers of alcohol must wear a unique identification badge showing the employee’s first name, initials, or a number assigned by the employer.
- Employees may not consume or be under the influence of alcoholic beverages while on duty.
- Managers, supervisors, and employees who serve alcohol must take and pass an alcohol server training seminar every three years and must complete the training within 30 days of commencing employment.
- Any employee who sells or serves alcoholic beverages does so under the direction and supervision of the

on-premise banquet licensee.

Employee Fines

- The commission is authorized to assess an administrative fine against an officer, employee, or agent of a licensee for a violation of the alcoholic beverage laws.

Minors

- Minors may be employed by an on-premise banquet licensee, but may not sell, serve, or dispense alcoholic beverages.

Bad Checks

- The DABC may immediately suspend the license if it receives a bad check as payment for liquor, licensing or bond fees, fines and costs for violations.

Prohibited Conduct

- Lewd acts, attire, and sexually oriented conduct of employees and entertainers that are considered contrary to public welfare and morals are prohibited on the premises.

Gambling

- On-premise banquet licensees may not engage in or permit any form of gambling on its premises.

TITLE 32A - ALCOHOLIC BEVERAGE CONTROL ACT
(Updated through May 2007)

Chapter 4 - Part 4
On-Premise Banquet License

32A-4-401. Definitions -- Commission's power to grant licenses -- Limitations.

- (1) (a) For purposes of this part:
 - (i) "Banquet" means an event:
 - (A) for which there is a contract;
 - (I) between any person and a person listed in Subsection (1)(a)(i)(B); and
 - (II) under which a person listed in Subsection (1)(a)(i)(B) is required to provide alcoholic beverages at the event;
 - (B) held at one or more designated locations approved by the commission in or on the premises of a:
 - (I) hotel;
 - (II) resort facility;
 - (III) sports center; or
 - (IV) convention center; and
 - (C) at which food and alcoholic beverages may be sold and served.
- (ii) "Convention center" is as defined by the commission by rule.
- (iii) "Hotel" is as defined by the commission by rule.
- (iv) "Resort facility" is as defined by the commission by rule.
- (v) "Room service" means service of alcoholic beverages to a guest room of a:
 - (A) hotel; or
 - (B) resort facility.
- (vi) "Sports center" is as defined by the commission by rule.
- (b) The commission may issue an on-premise banquet license to any of the following persons for the purpose of allowing the storage, sale, service, and consumption of alcoholic beverages in connection with that person's banquet and room service activities:
 - (i) hotel;
 - (ii) resort facility;
 - (iii) sports center; or
 - (iv) convention center.
- (c) This chapter is not intended to prohibit alcoholic beverages on the premises of a person listed in Subsection (1) to the extent otherwise permitted by this title.
- (2) (a) Subject to this section, the total number of on-premise banquet licenses may not at any time aggregate more than that number determined by dividing the population of the state by 30,000.
- (b) For purposes of this Subsection (2), the population of the state shall be determined by:
 - (i) the most recent United States decennial or special census; or
 - (ii) another population determination made by the United States or state governments.
- (3) Pursuant to a contract between the host of a banquet and an on-premise banquet licensee:
 - (a) the host of a contracted banquet may request an on-premise banquet licensee to provide alcoholic beverages served at a banquet; and
 - (b) an on-premise banquet licensee may provide the alcoholic beverages served at a banquet.
- (4) At a banquet, an on-premise banquet licensee may provide:
 - (a) a hosted bar; or
 - (b) a cash bar.
- (5) Nothing in this section shall prohibit a qualified on-premise banquet license applicant from applying for a package agency.
- (6) (a) Except as provided in Subsection (6)(b), (c), or (d), the premises of an on-premise banquet license may not be established:
 - (i) within 600 feet of a community location, as measured by the method in Subsection (6)(e); or
 - (ii) within 200 feet of a community location, measured in a straight line from the nearest entrance of the proposed outlet to the nearest property boundary of the community location.
- (b) With respect to the establishment of an on-premise banquet license, the commission may authorize a variance to reduce the proximity requirement of Subsection (6)(a)(i) if:
 - (i) the local authority grants its written consent to the variance;
 - (ii) the commission finds that alternative locations for establishing an on-premise banquet license in the community are limited;
 - (iii) the variance is authorized after a public hearing is held in the city, town, or county, and where practical in the neighborhood concerned;

(iv) after giving full consideration to all of the attending circumstances and the policies stated in Subsections **32A-1-104**(3) and (4), the commission determines that establishing the license would not be detrimental to the public health, peace, safety, and welfare of the community; and

(v) (A) the community location governing authority gives its written consent to the variance; or

(B) when written consent is not given by the community location governing authority, the commission finds that the applicant has established that:

(I) there is substantial unmet public demand to consume alcohol in a public setting within the geographic boundary of the local authority in which the on-premise banquet license premises is to be located;

(II) there is no reasonably viable alternative for satisfying substantial unmet demand described in Subsection (6)(b)(v)(B)(I) other than through the establishment of an on-premise banquet license; and

(III) there is no reasonably viable alternative location within the geographic boundary of the local authority in which the on-premise banquet license premises is to be located for establishing an on-premise banquet license to satisfy the unmet demand described in Subsection (6)(b)(v)(B)(I).

(c) With respect to the establishment of an on-premise banquet license, the commission may authorize a variance that reduces the proximity requirement of Subsection (6)(a)(ii) if:

(i) the community location at issue is:

(A) a public library; or

(B) a public park;

(ii) the local authority grants its written consent to the variance;

(iii) the commission finds that alternative locations for establishing an on-premise banquet license in the community are limited;

(iv) a public hearing is held in the city, town, or county, and where practical in the neighborhood concerned;

(v) after giving full consideration to all of the attending circumstances and the policies stated in Subsections **32A-1-104**(3) and (4), the commission determines that establishing the on-premise banquet license would not be detrimental to the public health, peace, safety, and welfare of the community; and

(vi) (A) the community location governing authority gives its written consent to the variance; or

(B) when written consent is not given by the community location governing authority, the commission finds that the applicant has established that:

(I) there is substantial unmet public demand to consume alcohol in a public setting within the geographic boundary of the local authority in which the on-premise banquet license premises is to be located;

(II) there is no reasonably viable alternative for satisfying substantial unmet demand described in Subsection (6)(c)(vi)(B)(I) other than through the establishment of an on-premise banquet license; and

(III) there is no reasonably viable alternative location within the geographic boundary of the local authority in which the on-premise banquet license premises is to be located for establishing an on-premise banquet license to satisfy the unmet demand described in Subsection (6)(c)(vi)(B)(I).

(d) With respect to the premises of any on-premise banquet license issued by the commission that undergoes a change of ownership, the commission may waive or vary the proximity requirements of Subsection (6)(a) in considering whether to grant an on-premise banquet license to the new owner of the premises if:

(i) (A) the premises previously received a variance reducing the proximity requirement of Subsection (6)(a)(i); or

(B) the premises received a variance reducing the proximity requirement of Subsection (6)(a)(ii) on or before May 4, 2008; or

(ii) a variance from proximity requirements was otherwise allowed under this title.

(e) The 600 foot limitation described in Subsection (6)(a)(i) is measured from the nearest entrance of the outlet by following the shortest route of ordinary pedestrian travel to the property boundary of the community location.

(7) (a) Nothing in this section prevents the commission from considering the proximity of any educational, religious, and recreational facility, or any other relevant factor in reaching a decision on a proposed location.

(b) For purposes of this Subsection (7), "educational facility" includes:

(i) a nursery school;

(ii) an infant day care center; and

(iii) a trade and technical school.

32A-4-402. Application and renewal requirements.

(1) (a) A person seeking an on-premise banquet license under this part shall file a written application with the department, in a form prescribed by the department. The application shall be accompanied by:

(i) a nonrefundable \$250 application fee;

(ii) an initial license fee of \$500, which is refundable if a license is not granted;

(iii) written consent of the local authority;

(iv) a copy of the applicant's current business license;

(v) evidence of proximity to any community location, with proximity requirements being governed by Section **32A-4-401**;

(vi) a bond as specified by Section **32A-4-405**;

(vii) a description or floor plan and boundary map of the premises, where appropriate, of the on-premise banquet license applicant's location, designating:

(A) the location at which the on-premise banquet license applicant proposes that alcoholic beverages be stored; and

(B) the designated locations on the premises of the applicant from which the on-premise banquet license applicant proposes that alcoholic beverages be sold or served, and consumed;

(viii) evidence that the on-premise banquet license applicant is carrying public liability insurance in an amount and form satisfactory to the department;

(ix) evidence that the on-premise banquet license applicant is carrying dramshop insurance coverage of at least \$500,000 per occurrence and \$1,000,000 in the aggregate;

(x) a signed consent form stating that the on-premise banquet license applicant will permit any authorized representative of the commission, department, or any law enforcement officer unrestricted right to enter the on-premise banquet premises;

(xi) in the case of an applicant that is a partnership, corporation, or limited liability company, proper verification evidencing that the person or persons signing the on-premise banquet license application are authorized to so act on behalf of the partnership, corporation, or limited liability company; and

(xii) any other information the commission or department may require.

(b) An applicant need not meet the requirements of Subsections (1)(a)(i), (ii), (iii), (iv), and (vi) if the applicant is:

(i) a state agency; or

(ii) a political subdivision of the state including:

(A) a county; or

(B) a municipality.

(2) Additional locations in or on the premises of an on-premise banquet license applicant's business from which the on-premise banquet license applicant may propose that alcoholic beverages may be stored, sold or served, or consumed, not included in the applicant's original application may be approved by the department upon proper application, in accordance with guidelines approved by the commission.

(3) (a) All on-premise banquet licenses expire on October 31 of each year.

(b) (i) Except as provided in Subsection (3)(b)(ii), a person desiring to renew that person's on-premise banquet license shall submit a renewal fee of \$500 and a completed renewal application to the department no later than September 30.

(ii) A licensee is not required to submit the renewal fee if the licensee is:

(A) a state agency; or

(B) a political subdivision of the state including:

(I) a county; or

(II) a municipality.

(c) Failure to meet the renewal requirements shall result in an automatic forfeiture of the license effective on the date the existing license expires.

(d) A renewal application shall be in a form as prescribed by the department.

(4) To ensure compliance with Subsection **32A-4-406(24)**, the commission may suspend or revoke an on-premise banquet license if the on-premise banquet licensee fails to immediately notify the department of any change in:

(a) ownership of the licensee;

(b) for a corporate owner, the:

(i) corporate officers or directors; or

(ii) shareholders holding at least 20% of the total issued and outstanding stock of the corporation; or

(c) for a limited liability company:

(i) managers; or

(ii) members owning at least 20% of the limited liability company.

32A-4-403. Qualifications.

(1) (a) The commission may not grant an on-premise banquet license to any person who has been convicted of:

(i) a felony under any federal or state law;

(ii) any violation of any federal or state law or local ordinance concerning the sale, manufacture, distribution, warehousing, adulteration, or transportation of alcoholic beverages;

(iii) any crime involving moral turpitude; or

(iv) on two or more occasions within the five years before the day on which the license is granted, driving under the influence of alcohol, any drug, or the combined influence of alcohol and any drug.

(b) In the case of a partnership, corporation, or limited liability company, the proscription under Subsection (1)(a) applies if any of the following has been convicted of any offense described in Subsection (1)(a):

(i) a partner;

(ii) a managing agent;

(iii) a manager;

(iv) an officer;

(v) a director;

- (vi) a stockholder who holds at least 20% of the total issued and outstanding stock of the applicant corporation; or
- (vii) a member who owns at least 20% of the applicant limited liability company.
- (c) The proscription under Subsection (1)(a) applies if any person employed to act in a supervisory or managerial capacity for the on-premise banquet licensee has been convicted of any offense described in Subsection (1)(a).
- (2) The commission may immediately suspend or revoke an on-premise banquet license if after the day on which the on-premise banquet license is granted, a person described in Subsection (1)(a), (b), or (c):
 - (a) is found to have been convicted of any offense described in Subsection (1)(a) prior to the license being granted; or
 - (b) on or after the day on which the license is granted:
 - (i) is convicted of an offense described in Subsection (1)(a)(i), (ii), or (iii); or
 - (ii) (A) is convicted of driving under the influence of alcohol, any drug, or the combined influence of alcohol and any drug; and
 - (B) was convicted of driving under the influence of alcohol, any drug, or the combined influence of alcohol and any drug within five years before the day on which the person is convicted of the offense described in Subsection (2)(b)(ii)(A).
- (3) The director may take emergency action by immediately suspending the operation of an on-premise banquet license according to the procedures and requirements of Title 63G, Chapter 4, Administrative Procedures Act, for the period during which the criminal matter is being adjudicated if a person described in Subsection (1)(a), (b), or (c):
 - (a) is arrested on a charge for an offense described in Subsection (1)(a)(i), (ii), or (iii); or
 - (b) (i) is arrested on a charge for the offense of driving under the influence of alcohol, any drug, or the combined influence of alcohol and any drug; and
 - (ii) was convicted of driving under the influence of alcohol, any drug, or the combined influence of alcohol and any drug within five years before the day on which the person is arrested on a charge described in Subsection (3)(b)(i).
- (4) (a) (i) The commission may not grant an on-premise banquet license to any person who has had any type of license, agency, or permit issued under this title revoked within the last three years.
- (ii) The commission may not grant an on-premise banquet license to an applicant that is a partnership, corporation, or limited liability company if any partner, managing agent, manager, officer, director, stockholder who holds at least 20% of the total issued and outstanding stock of an applicant corporation, or member who owns at least 20% of an applicant limited liability company is or was:
 - (A) a partner or managing agent of any partnership that had any type of license, agency, or permit issued under this title revoked within the last three years;
 - (B) a managing agent, officer, director, or stockholder who holds or held at least 20% of the total issued and outstanding stock of any corporation that had any type of license, agency, or permit issued under this title revoked within the last three years; or
 - (C) a manager or member who owns or owned at least 20% of any limited liability company that had any type of license, agency, or permit issued under this title revoked within the last three years.
- (b) An applicant that is a partnership, corporation, or limited liability company may not be granted an on-premise banquet license if any of the following had any type of license, agency, or permit issued under this title revoked while acting in their individual capacity within the last three years:
 - (i) any partner or managing agent of the applicant partnership;
 - (ii) any managing agent, officer, director, or stockholder who holds at least 20% of the total issued and outstanding stock of the applicant corporation; or
 - (iii) any manager or member who owns at least 20% of the applicant limited liability company.
- (c) A person acting in an individual capacity may not be granted an on-premise banquet license if that person was:
 - (i) a partner or managing agent of a partnership that had any type of license, agency, or permit issued under this title revoked within the last three years;
 - (ii) a managing agent, officer, director, or stockholder who held at least 20% of the total issued and outstanding stock of a corporation that had any type of license, agency, or permit issued under this title revoked within the last three years; or
 - (iii) a manager or member who owned at least 20% of the limited liability company that had any type of license, agency, or permit issued under this title revoked within the last three years.
- (5) (a) A minor may not be granted an on-premise banquet license.
- (b) The commission may not grant an on-premise banquet license to an applicant that is a partnership, corporation, or limited liability company if any of the following is a minor:
 - (i) a partner or managing agent of the applicant partnership;
 - (ii) a managing agent, officer, director, or stockholder who holds at least 20% of the total issued and outstanding stock of the applicant corporation; or
 - (iii) a manager or member who owns at least 20% of the applicant limited liability company.
- (6) If any person to whom a license has been issued under this part no longer possesses

the qualifications required by this title for obtaining that license, the commission may suspend or revoke that license.

32A-4-404. COMMISSION AND DEPARTMENT DUTIES BEFORE GRANTING LICENSES.

(1)(a) Before an on-premise banquet license may be granted by the commission, the department shall conduct an investigation, and may hold public hearings for the purpose of gathering information and making recommendations to the commission as to whether or not an on-premise banquet license should be granted.

(b) The department shall forward the information and recommendations described in Subsection (1)(a) to the commission to aid in the commission's determination.

(2) Before issuing an on-premise banquet license, the commission shall:

(a) determine that the applicant has complied with all basic qualifications and requirements for making application for a license as provided by Sections 32A-4-402 and 32A-4-403;

(b) determine that the application is complete;

(c) consider, where appropriate, the locations the on-premise banquet license applicant proposes to designate for use under an on-premise banquet license, including:

(i) the physical characteristics of the locations such as:

(A) the condition of the premises;

(B) square footage; and

(C) parking availability; and

(ii) operational factors such as:

(A) tourist traffic;

(B) demographics; and

(C) population to be served;

(d) consider the applicant's ability to manage and operate an on-premise banquet license, including:

(i) past management experience;

(ii) past alcohol license experience; and

(iii) the type of management scheme to be employed by the on-premise banquet license applicant;

(e) consider the nature or type of the on-premise banquet license applicant's business operation; and

(f) consider any other factors or circumstances the commission considers necessary.

32A-4-405. BOND.

(1) Each on-premise banquet licensee shall post a cash or corporate surety bond in the penal sum of \$10,000 payable to the department, which the licensee has procured and must maintain for so long as the licensee continues to operate as an on-premise banquet licensee.

(2) The bond shall be in a form approved by the attorney general, conditioned upon the licensee's faithful compliance with this title and the rules of the commission.

(3) (a) If the \$10,000 surety bond is canceled due to the licensee's negligence, a \$300 reinstatement fee may be assessed.

(b) No part of any cash or corporate bond so posted may be withdrawn during the period the license is in effect, or while revocation proceedings are pending against the licensee.

(c) A bond filed by an on-premise banquet licensee may be forfeited if the license is finally revoked.

32A-4-406. Operational restrictions.

A person granted an on-premise banquet license and the employees and management personnel of the on-premise banquet licensee shall comply with this title, the rules of the commission, and the following conditions and requirements. Failure to comply may result in a suspension or revocation of the on-premise banquet license or other disciplinary action taken against individual employees or management personnel.

(1) A person involved in the sale or service of an alcoholic beverage under the on-premise banquet license shall:

(a) be under the supervision and direction of the on-premise banquet licensee; and

(b) complete the seminar provided for in Section **62A-15-401**.

(2) (a) Liquor may not be purchased by an on-premise banquet licensee except from a state store or package agency.

(b) Liquor purchased from a state store or package agency may be transported by the on-premise banquet licensee from the place of purchase to the licensed premises.

(c) Payment for liquor shall be made in accordance with rules established by the commission.

(3) An alcoholic beverage may be sold or provided at a banquet by an on-premise banquet licensee subject to the restrictions set forth in this Subsection (3).

(a) An on-premise banquet licensee may sell or provide a primary spirituous liquor only in a quantity not to exceed 1.5 ounces per beverage dispensed through a calibrated metered dispensing system approved by the department in accordance with commission rules adopted under this title, except that:

(i) spirituous liquor need not be dispensed through a calibrated metered dispensing system if used as a secondary flavoring ingredient in a beverage subject to the following restrictions:

(A) the secondary ingredient may be dispensed only in conjunction with the purchase of a primary spirituous liquor;

(B) the secondary ingredient may not be the only spirituous liquor in the beverage;

(C) the on-premise banquet licensee shall designate a location where flavorings are stored on the floor plan provided to the department; and

- (D) a flavoring container shall be plainly and conspicuously labeled "flavorings";
- (ii) spirituous liquor need not be dispensed through a calibrated metered dispensing system if used:
 - (A) as a flavoring on a dessert; and
 - (B) in the preparation of a flaming food dish, drink, or dessert;
- (iii) an attendee may have no more than 2.5 ounces of spirituous liquor at a time before the attendee; and
- (iv) an attendee may have no more than one spirituous liquor drink at a time before the attendee.
- (b) (i) (A) Wine may be sold and served by the glass or an individual portion not to exceed five ounces per glass or individual portion.
- (B) An individual portion may be served to an attendee in more than one glass as long as the total amount of wine does not exceed five ounces.
- (C) An individual portion of wine is considered to be one alcoholic beverage under Subsection (5)(c).
- (ii) Wine may be sold and served in a container not exceeding 1.5 liters at a price fixed by the commission.
- (iii) A wine service may be performed and a service charge assessed by the on-premise banquet licensee as authorized by commission rule for wine purchased on the banquet premises.
- (c) (i) Heavy beer may be served in an original container not exceeding one liter at a price fixed by the commission.
- (ii) A flavored malt beverage may be served in an original container not exceeding one liter at a price fixed by the commission.
- (iii) A service charge may be assessed by the on-premise banquet licensee as authorized by commission rule for heavy beer or a flavored malt beverage purchased on the banquet premises.
- (d) (i) Except as provided in Subsection (3)(d)(ii), beer may be sold and served for on-premise consumption:
 - (A) in an open container; and
 - (B) on draft.
- (ii) Beer sold pursuant to Subsection (3)(d)(i) shall be in a size of container that does not exceed two liters, except that beer may not be sold to an individual attendee in a container size that exceeds one liter.
- (4) An alcoholic beverage may not be stored, served, or sold in any place other than as designated in the on-premise banquet licensee's application, except that additional locations in or on the premises of an on-premise banquet licensee may be approved in accordance with guidelines approved by the commission as provided in Subsection **32A-4-402(2)**.
- (5) (a) An attendee may only make an alcoholic beverage purchase from and be served by a person employed, designated, and trained by the on-premise banquet licensee to sell and serve an alcoholic beverage.
- (b) Notwithstanding Subsection (5)(a), an attendee who purchases bottled wine from an employee of the on-premise banquet licensee may thereafter serve wine from the bottle to the attendee or others at the attendee's table.
- (c) An attendee may have no more than two alcoholic beverages of any kind at a time before the attendee, subject to the limitation of Subsection (3)(a)(iv).
- (6) The alcoholic beverage storage area shall remain locked at all times other than those hours and days when alcoholic beverage sales are authorized by law.
- (7) An alcoholic beverage may be offered for sale, sold, served, or otherwise furnished by an on-premise banquet licensee from 10 a.m. to 1 a.m. seven days a week:
 - (a) at a banquet; or
 - (b) in connection with room service.
- (8) An alcoholic beverage may not be sold, served, or otherwise furnished to a:
 - (a) minor;
 - (b) person actually, apparently, or obviously intoxicated;
 - (c) known habitual drunkard; or
 - (d) known interdicted person.
- (9) (a) (i) Liquor may be sold only at a price fixed by the commission.
- (ii) Liquor may not be sold at a discount price on any date or at any time.
- (b) An alcoholic beverage may not be sold at less than the cost of the alcoholic beverage to the on-premise banquet licensee.
- (c) An alcoholic beverage may not be sold at a special or reduced price that encourages over consumption or intoxication.
- (d) An alcoholic beverage may not be sold at a special or reduced price for only certain hours of the on-premise banquet licensee's business day such as a "happy hour."
- (e) More than one alcoholic beverage may not be sold or served for the price of a single alcoholic beverage.
- (f) An on-premise banquet licensee may not engage in a public promotion involving or offering free alcoholic beverages to the general public.
- (10) An alcoholic beverage may not be purchased for an attendee by:
 - (a) the on-premise banquet licensee; or
 - (b) an employee or agent of the on-premise banquet licensee.
- (11) An attendee of a banquet may not bring an alcoholic beverage into or onto, or remove an alcoholic beverage from the premises of a banquet.
- (12) (a) Except as otherwise provided in this title, the sale and service of an alcoholic beverage by an on-premise

banquet licensee at a banquet shall be made only for consumption at the location of the banquet.

(b) The host of a banquet, an attendee, or a person other than the on-premise banquet licensee or an employee of the on-premise banquet licensee, may not remove an alcoholic beverage from the premises of the banquet.

(13) An on-premise banquet licensee employee shall remain at the banquet at all times when an alcoholic beverage is sold, served, or consumed at the banquet.

(14) (a) An on-premise banquet licensee may not leave an unsold alcoholic beverage at the banquet following the conclusion of the banquet.

(b) At the conclusion of a banquet, the on-premise banquet licensee or an employee of the on-premise banquet licensee, shall:

(i) destroy an opened and unused alcoholic beverage that is not saleable, under conditions established by the department; and

(ii) return to the on-premise banquet licensee's approved locked storage area any:

(A) opened and unused alcoholic beverage that is saleable; and

(B) unopened container of an alcoholic beverage.

(15) Except as provided in Subsection (14), an open or sealed container of an alcoholic beverage not sold or consumed at a banquet:

(a) shall be stored by the on-premise banquet licensee in the on-premise banquet licensee's approved locked storage area; and

(b) may be used at more than one banquet.

(16) An on-premise banquet licensee may not employ a minor to sell, serve, dispense, or otherwise furnish an alcoholic beverage in connection with the on-premise banquet licensee's banquet and room service activities.

(17) An employee of an on-premise banquet licensee, while on duty, may not:

(a) consume an alcoholic beverage; or

(b) be intoxicated.

(18) An on-premise banquet licensee shall prominently display at a banquet at which an alcoholic beverage is sold or served:

(a) a copy of the licensee's on-premise banquet license; and

(b) a sign in large letters stating: "Warning: Driving under the influence of alcohol or drugs is a serious crime that is prosecuted aggressively in Utah."

(19) An on-premise banquet licensee may not on the premises of the hotel, resort facility, sports center, or convention center:

(a) engage in or permit any form of gambling, as defined and proscribed in Title 76, Chapter 10, Part 11, Gambling;

(b) have any video gaming device, as defined and proscribed by Title 76, Chapter 10, Part 11, Gambling; or

(c) engage in or permit a contest, game, gaming scheme, or gaming device that requires the risking of something of value for a return or for an outcome when the return or outcome is based upon an element of chance, excluding the playing of an amusement device that confers only an immediate and unrecorded right of replay not exchangeable for value.

(20) (a) An on-premise banquet licensee shall maintain accounting and such other records and documents as the commission or department may require.

(b) An on-premise banquet licensee or person acting for the on-premise banquet licensee, who knowingly forges, falsifies, alters, cancels, destroys, conceals, or removes an entry in a book of account or other document of the on-premise banquet licensee required to be made, maintained, or preserved by this title or the rules of the commission for the purpose of deceiving the commission, the department, or an official or employee of the commission or department, is subject to:

(i) the suspension or revocation of the on-premise banquet license; and

(ii) possible criminal prosecution under Chapter 12, Criminal Offenses.

(21) (a) For the purpose described in Subsection (21)(b), an on-premise banquet licensee shall provide the department with advance notice of a scheduled banquet in accordance with rules made by the commission in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

(b) The advance notice required by Subsection (21)(a) is required to provide any of the following the opportunity to conduct a random inspection of a banquet:

(i) an authorized representative of the commission or the department; or

(ii) a law enforcement officer.

(22) An on-premise banquet licensee shall maintain at least 50% of its total annual banquet gross receipts from the sale of food, not including:

(a) mix for an alcoholic beverage; and

(b) a charge in connection with the service of an alcoholic beverage.

(23) A person may not transfer an on-premise banquet license from one business location to another without prior written approval of the commission.

(24) (a) An on-premise banquet licensee may not sell, transfer, assign, exchange, barter, give, or attempt in any way to dispose of the license to another person, whether for monetary gain or not.

- (b) An on-premise banquet license has no monetary value for the purpose of any type of disposition.
- (25) (a) Room service of an alcoholic beverage to a guest room of a hotel or resort facility shall be provided in person by an on-premise banquet licensee employee only to an adult guest in the guest room.
- (b) An alcoholic beverage may not be left outside a guest room for retrieval by a guest.
- (c) An on-premise banquet licensee may only provide an alcoholic beverage for room service in a sealed container.
- (26) An on-premise banquet licensee or an employee of the on-premise banquet licensee may not knowingly allow a person on a banquet location of a hotel, resort facility, sports center, or convention center to, in violation of Title 58, Chapter 37, Utah Controlled Substances Act, or Chapter 37a, Utah Drug Paraphernalia Act:
 - (a) sell, distribute, possess, or use a controlled substance, as defined in Section **58-37-2**; or
 - (b) use, deliver, or possess with the intent to deliver drug paraphernalia, as defined in Section **58-37a-3**.

TITLE 32A - ALCOHOLIC BEVERAGE CONTROL ACT **(Updated through May 2008)**

PART 6 **ATTIRE, CONDUCT, AND ENTERTAINMENT ACT**

32A-1-601. TITLE -- PURPOSE -- APPLICATION TO OTHER LAWS.

- (1) This part is known as the "Attire, Conduct, and Entertainment Act."
- (2) This part establishes reasonable and uniform time, place, and manner of operation restrictions relating to attire, conduct, and sexually oriented entertainers on a premises or at an event at which alcoholic beverages are sold, served, or allowed to be consumed under a retail license or permit issued by the commission so as to:
 - (a) reduce the adverse secondary effects that the attire, conduct, and sexually oriented entertainers may have upon communities of this state; and
 - (b) protect the health, peace, safety, welfare, and morals of the residents of communities of this state.
- (3) Nothing in this part permits or allows the showing or display of any matter that is contrary to:
 - (a) applicable federal or state statutes prohibiting obscenity; or
 - (b) state statutes relating to lewdness or indecent public displays.
- (4) A local authority may be more restrictive of attire, conduct, or sexually oriented entertainers of the type prohibited in this part.

32A-1-602. GENERAL RESTRICTIONS ON ATTIRE AND CONDUCT.

The following attire and conduct on a premises or at an event regulated by the commission under this title are considered contrary to the public health, peace, safety, welfare, and morals, and are prohibited:

- (1) employing or using a person in the sale or service of alcoholic beverages while the person is in:
 - (a) a state of nudity;
 - (b) a state of seminudity; or
 - (c) attire, costume, or clothing that exposes to view any portion of:
 - (i) the female breast below the top of the areola; or
 - (ii) the cleft of the buttocks;
- (2) employing or using the services of a person to mingle with patrons while the person is in:
 - (a) a state of nudity;
 - (b) a state of seminudity; or
 - (c) attire, costume, or clothing that exposes to view any portion of:
 - (i) the female breast below the top of the areola; or
 - (ii) the cleft of the buttocks;
- (3) encouraging or permitting a person to:
 - (a) engage in or simulate an act of:
 - (i) sexual intercourse;
 - (ii) masturbation;
 - (iii) sodomy;
 - (iv) bestiality;
 - (v) oral copulation;
 - (vi) flagellation; or
 - (vii) a sexual act that is prohibited by Utah law; or
 - (b) touch, caress, or fondle the breast, buttocks, anus, or genitals of any other person;
- (4) permitting a person to wear or use a device or covering that:

- (a) is exposed to view; and
- (b) simulates all or any portion of the human genitals, anus, pubic area, or female breast;
- (5) permitting a person to use an artificial device or inanimate object to depict an act prohibited by this section;
- (6) permitting a person to remain on a premises or at an event who exposes to public view any portion of that person's:
 - (a) genitals, pubic area, or anus; or
 - (b) in the case of a female, the areola and nipple of the breast; or
 - (7) showing a film, still picture, electronic reproduction, or other visual reproduction depicting:
 - (a) an act or simulated act of:
 - (i) sexual intercourse;
 - (ii) masturbation;
 - (iii) sodomy;
 - (iv) bestiality;
 - (v) oral copulation;
 - (vi) flagellation; or
 - (vii) a sexual act that is prohibited by Utah law;
 - (b) a person being touched, caressed, or fondled on the breast, buttocks, anus, or genitals;
 - (c) a scene wherein an artificial device or inanimate object is employed to depict, or a drawing is employed to portray, an act prohibited by this section; or
 - (d) a scene wherein a person displays the genitals or anus.

32A-1-603. Sexually oriented entertainer.

- (1) Subject to the restrictions of this section, live entertainment is permitted on a premises or at an event regulated by the commission.
- (2) Notwithstanding Subsection (1), a licensee or permittee may not permit a person to:
 - (a) appear or perform in a state of nudity;
 - (b) perform or simulate an act of:
 - (i) sexual intercourse;
 - (ii) masturbation;
 - (iii) sodomy;
 - (iv) bestiality;
 - (v) oral copulation;
 - (vi) flagellation; or
 - (v) a sexual act that is prohibited by Utah law; or
 - (c) touch, caress, or fondle the breast, buttocks, anus, or genitals.
- (3) A sexually oriented entertainer may perform in a state of seminudity:
 - (a) only in a tavern or class D private club; and
 - (b) only if:
 - (i) all windows, doors, and other apertures to the premises are darkened or otherwise constructed to prevent anyone outside the premises from seeing the performance; and
 - (ii) the outside entrance doors of the premises remain unlocked.
- (4) A sexually oriented entertainer may perform only upon a stage or in a designated performance area that is:
 - (a) approved by the commission in accordance with rules made by the commission in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;
 - (b) configured so as to preclude a patron from:
 - (i) touching the sexually oriented entertainer; or
 - (ii) placing any money or object on or within the costume or the person of the sexually oriented entertainer; and
 - (c) configured so as to preclude the sexually oriented entertainer from touching a patron.
- (5) A sexually oriented entertainer may not touch a patron:
 - (a) during the sexually oriented entertainer's performance; or
 - (b) while the sexually oriented entertainer is dressed in performance attire or costume.
- (6) A sexually oriented entertainer, while in the portion of the premises used by patrons, must be dressed in opaque clothing which covers and conceals the sexually oriented entertainer's performance attire or costume from the top of the breast to the knee.
- (7) A patron may not be on the stage or in the performance area while a sexually oriented entertainer is appearing or performing on the stage or in the performance area.
- (8) A patron may not:
 - (a) touch a sexually oriented entertainer:
 - (i) during the sexually oriented entertainer's performance; or

- (ii) while the sexually oriented entertainer is dressed in performance attire or costume; or
- (b) place money or any other object on or within the costume or the person of the sexually oriented entertainer.
- (9) A minor may not be on a premises described in Subsection (3) when a sexually oriented entertainer is performing on the premises.
- (10) A person who appears or performs for the entertainment of patrons on a premises or at an event regulated by the commission that is not a tavern or class D private club:
 - (a) may not appear or perform in a state of nudity or a state of seminudity; and
 - (b) may appear or perform in opaque clothing that completely covers the person's genitals, pubic area, and anus if the covering:
 - (i) is not less than the following at its widest point:
 - (A) four inches coverage width in the front of the human body; and
 - (B) five inches coverage width in the back of the human body;
 - (ii) does not taper to less than one inch wide at the narrowest point; and
 - (iii) if covering a female, completely covers the breast below the top of the areola.

32A-1-604. COMPLIANCE -- DISCIPLINARY PROCEEDING.

- (1) Each person granted a license or permit by the commission to sell, serve, or allow consumption of alcoholic beverages on a premises or at an event and each officer, employee, or agent of the licensee or permittee shall comply with the conditions and requirements of this part.
- (2) Failure to comply with this part may result in a disciplinary proceeding pursuant to Section 32A-1-119 against:
 - (a) a licensee or permittee; and
 - (b) an officer, employee, or agent of the licensee or permittee.

R81-1. Alcoholic Beverage Control, Administration.

On-Premise Banquet Rule R81-4D

Proposed rule change

Amend R81-4D-1 to read:

(1) An on-premise banquet license may be issued only to a hotel, resort facility, sports center or convention center as defined in this rule.

(a) "Hotel" is a commercial lodging establishment:

- (i) that offers temporary sleeping accommodations for compensation;
- (ii) that is capable of hosting conventions, conferences, and food and beverage functions under a banquet contract;
- (iii) that has adequate kitchen or culinary facilities on the premises of the hotel to provide complete meals; and
- (iv) that has at least 1000 square feet of function space consisting of meeting and/or dining rooms that can be reserved for private use under a banquet contract that can accommodate a minimum of 75 people, provided that in cities of the third, fourth or fifth class, unincorporated areas of a county, and towns, the commission shall have the authority to waive the minimum function space size requirements.

(b) "Resort facility" is a publicly or privately owned or operated commercial recreational facility or area:

- (i) that is designed primarily to attract and accommodate people to a recreational or sporting environment;
- (ii) that is capable of hosting conventions, conferences, and food and beverage functions under a banquet contract;
- (iii) that has adequate kitchen or culinary facilities on the premises of the resort to provide complete meals; and
- (iv) that has at least 1500 square feet of function space consisting of meeting and/or dining rooms that can be reserved for private use under a banquet contract that can accommodate a minimum of 100 people, provided that in cities of the third, fourth, or fifth class, unincorporated areas of a county, and towns, the commission shall have the authority to waive the minimum function space size requirements.

(c) "Sports center" is a publicly or privately owned or operated facility:

- (i) that is designed primarily to attract people to and accommodate people at sporting events;
- (ii) that has a fixed seating capacity for more than 2,000 persons;
- (iii) that is capable of hosting conventions, conferences, and food and beverage functions under a banquet contract;
- (iv) that has adequate kitchen or culinary facilities on the premises of the sports center to provide complete meals; and
- (v) that has at least 2500 square feet of function space consisting of meeting and/or dining rooms that can be reserved for private use under a banquet contract that can accommodate a minimum of 100 people, provided that in cities of the third, fourth, or fifth class, unincorporated areas of a county, and towns, the commission shall have the authority to waive the minimum function space size requirements.

(d) "Convention center" is a publicly or privately owned or operated facility:

- (i) the primary business or function of which is to host conventions, conferences, and food and beverage functions under a banquet contract;

~~[(ii) that is a total of at least 30,000 square feet;~~

~~[(iii)]~~ (ii) that has adequate kitchen or culinary facilities on the premises of the convention center to provide complete meals; and

~~[(iv)]~~ (iii) that has at least 3000 square feet of function space consisting of meeting and/or dining rooms that can be reserved for private use under a banquet contract that can accommodate a minimum of 100 people, provided that in cities of the third, fourth, or fifth class, unincorporated counties, and towns, the commission shall have the authority to waive the minimum function space size requirements.

(2)(a) A "banquet contract" as used in this rule means an agreement between an on-premise banquet licensee and a host of a banquet to provide alcoholic beverage services at a meal, reception, or other private banquet function at a defined location on a specific date and time for a pre-arranged, guaranteed number of attendees at a negotiated price.

(b) Each "banquet contract" shall:

- (i) clearly define the location of the private banquet function;
- (ii) require that the private banquet function be separate from other areas of the facility that are open to the general public; and
- (iii) require signage at or near the entrance to the private banquet function to indicate that the location has been reserved for a specific group.

(3) On-premise banquet licenses are issued to persons as defined in Section 32A-1-105(36). Any contemplated action or transaction that may alter the organizational structure or ownership interest of the person to whom the license is issued must be submitted to the department for approval prior to consummation of any such action to ensure there is no violation of Sections 32A-4-402(4), 32A-4-403, and 32A-4-406(26).

Proposed rule change

Amend R81-4D-2 (Application) to read:

* * *

(2)(a) The application shall include a floor plan showing the locations of function space in or on the applicant's business premises that may be reserved for private banquet functions where alcoholic beverages may be stored, sold or served, and consumed. Hotels shall also indicate the number of sleeping rooms where room service will be provided and include a sample floor plan of a guest room level. No application will be accepted that merely designates the entire hotel, resort, sports center or convention center facility as the proposed licensed premises.

(b) ~~[After]~~ Pursuant to 32A-4-402(2) and 32A-4-406(4), after an on-premise banquet license has been issued, the licensee may apply to the ~~[commission]~~ department for approval of additional locations in or on the premises of the hotel, resort, sports center or convention center that were not included in the licensee's original application. The additional locations must:

(i) be clearly defined;

(ii) be configured to ensure separation between any private banquet function and other areas of the facility that are open to the general public; and

(iii) be configured to ensure compliance with all operational restrictions with respect the sale, storage, and consumption of alcoholic beverages required by 32A-4-406.

Current rules

R81-4D-3. Bonds .

No part of any corporate or cash bond required by Section 32A-4-405, may be withdrawn during the time the license is in effect. If the licensee fails to maintain a valid corporate or cash bond, the license shall be immediately suspended until a valid bond is obtained. Failure to obtain a bond within 30 days of notification by the department of the delinquency shall result in the automatic revocation of the license.

R81-4D-4. Insurance .

Public liability and dram shop insurance coverage required in Section 32A-4-402(1)(h) and (i) must remain in force during the time the license is in effect. Failure of the licensee to maintain the required insurance coverage may result in a suspension or revocation of the license by the commission.

R81-4D-5. On-Premise Banquet Licensee Liquor Order and Return Procedures.

The following procedures shall be followed when an on-premise banquet licensee orders liquor from or returns liquor to any state liquor store, package agency, or department satellite warehouse:

(1) The licensee must place the order in advance to allow department personnel sufficient time to assemble the order. The licensee or employees of the licensee may not pick merchandise directly off the shelves of a state store or package agency to fill the licensee's order. The order shall include the business name of the licensee, department licensee number, and list the products ordered specifying each product by code number and quantity.

(2) The licensee shall allow at least four hours for department personnel to assemble the order for pick-up. When the order is complete, the licensee will be notified by phone and given the total cost of the order. The licensee may pay for the product in cash, company check or cashier's check.

(3) The licensee or the licensee's designee shall examine and sign for the order before it leaves the store, agency or satellite warehouse to verify that the product has been received.

(4) Merchandise shall be supplied to the licensee on request when it is available on a first come first serve basis. Discounted items and limited items may, at the discretion of the department, be provided to a licensee on an allocated basis.

(5)(a) Spirituous liquor may be returned by the licensee for the original purchase price only under the following conditions:

(i) the bottle has not been opened;

(ii) the seal remains intact;

(iii) the label remains intact; and

(iv) upon a showing of the original cash register receipt.

(b) A restocking fee of 10% shall be assessed on the entire amount on any returned spirituous liquor order that exceeds \$1,000. All spirituous liquor returned that is based on a single purchase on a single cash register receipt must be returned at the same time at a single store, package agency, or satellite warehouse location.

(b) Wine and beer may not be returned by the licensee for the original purchase price except upon a showing that the product was spoiled or non-consumable.

R81-4D-6. On-Premise Banquet Licensee Operating Hours.

Allowable hours of alcoholic beverage sales shall be in accordance with Section 32A-4-406(7). However, the licensee may open the alcoholic beverage storage area during hours otherwise prohibited for the limited purpose of inventory, restocking, repair, and cleaning.

R81-4D-7. Sale and Purchase of Alcoholic Beverages.

Liquor dispensing shall be in accordance with Section 32A-4-406; and Sections R81-1-9 (Liquor Dispensing Systems), and R81-1-10 (Wine Dispensing) of these rules.

R81-4D-8. Liquor Storage .

Liquor bottles kept for sale in use with a dispensing system, liquor flavorings in properly labeled unsealed containers, and unsealed containers of wines poured by the glass may be stored in the same storage area of the on-premise banquet licensee as approved by the department.

R81-4D-9. Alcoholic Product Flavoring .

On-premise banquet licensees may use alcoholic products as flavoring subject to the following guidelines:

- (1) Alcoholic product flavoring may be utilized in beverages only during the authorized selling hours under the on-premise banquet license. Alcoholic product flavoring may be used in the preparation of food items and desserts at any time if plainly and conspicuously labeled "cooking flavoring".
- (2) No on-premise banquet licensee employee under the age of 21 years may handle alcoholic product flavorings.

R81-4D-10. State Label. All liquor consumed on the premises of an on-premise banquet license must come from a container or package having an official state label affixed.

R81-4D-11. Menus; Price Lists .

- (1) An on-premise banquet licensee shall have readily available for any host of a contracted banquet a printed alcoholic beverage price list, or menu containing prices of all mixed drinks, wine, beer, and heavy beer. This list shall include any charges for the service of packaged wines or heavy beer.
- (2) Any printed menu, master beverage price list or other printed list is sufficient as long as the prices are current and it meets the requirements of this rule.
- (3) Any host of a contracted banquet shall be notified of the price charged for any packaged wine or heavy beer and any service charges for the supply of glasses, chilling, or wine service.
- (4) The on-premise banquet licensee or an employee of the licensee may not misrepresent the price of any alcoholic beverage that is sold or offered for sale on the licensed premises.

R81-4D-12. Identification Badge.

Each employee of the licensee who sells, dispenses or provides alcoholic beverages shall wear a unique identification badge visible above the waist, bearing the employee's first name, initials, or a unique number in letters or numbers not less than 3/8 inch high. The identification badge must be worn on the front portion of the employee's body. The licensee shall maintain a record of all employee badges assigned, which shall be available for inspection by any peace officer, or representative of the department. The record shall include the employee's full name and address and a driver's license or similar identification number.

R81-4D-13. On-Premise Banquet License Room Service - Mini-Bottle/187 ml Wine Sales.

(1) Purpose. Pursuant to 32A-1-116, the department may not purchase or stock alcoholic beverages in containers smaller than 200 milliliters. except as otherwise allowed by the commission. The commission hereby allows the limited use of 50 milliliter "mini-bottles" of distilled spirits and 187 milliliter bottles of wine for room service sales by on-premise banquet licensees located in hotels and resorts. The following conditions are imposed to ensure that these smaller bottle sales are limited to patrons of sleeping rooms, and are not offered to the general public.

(2) Application of Rule.

(a) The department will not maintain a regular inventory of distilled spirits and wine in the smaller bottle sizes,

but will accept special orders for these products from an on-premise banquet licensee. Special orders may be placed with the department's purchasing division, any state store, or any Type 2 or 3 package agency.

(b) The on-premise banquet licensee must order in full case lots, and all sales are final.

(c) Sale and use of alcohol in the smaller bottle sizes is restricted to providing room service to guests in sleeping rooms in the hotel/resort, and may not be used for other banquet catering services, or be sold to the general public.

(d) Failure of the on-premise banquet licensee to strictly adhere to the provisions of this rule is grounds for the department to take disciplinary action against the on-premise banquet licensee.

R81-4D-14. Reporting Requirement.

(1) Authority. This rule is pursuant to the commission's powers and duties under 32A-1-107 to act as a general policymaking body on the subject of alcoholic beverage control and to set policy by written rules that prescribe the conduct and management of any premises upon which alcoholic beverages may be sold, consumed, served, or stored, and pursuant to 32A-4-406(24).

(2) Purpose. This rule implements the requirement of 32A-4-406(24) that requires the commission to provide by rule procedures for on-premise banquet licensees to report scheduled banquet events to the department to allow random inspections of banquets by authorized representatives of the commission, the department, or by law enforcement officers to monitor compliance with the alcoholic beverage control laws.

(3) Application of the Rule.

(a) An on-premise banquet licensee shall file with the department at the beginning of each quarter a report containing advance notice of events or functions that have been scheduled as of the reporting date for that quarter to be held under a banquet contract as defined in R81-4D-1.

(b) The quarterly reports are due on or before January 1, April 1, July 1, and October 1 of each year and may be hand-delivered or submitted by mail or electronically.

(c) Each report shall include the name and specific location of each event.

(d) The department shall make copies of the reports available to a commissioner, authorized representative of the department, and any law enforcement officer upon request to be used for the purpose stated in Section (2).

(e) The department shall retain a copy of each report until the end of each reporting quarter.

(f) Because any report filed under this rule contains commercial information, the disclosure of which could reasonably be expected to result in unfair competitive injury to the licensee submitting the information, and the licensee submitting the information has a greater interest in prohibiting access than the public in obtaining access to the report:

(i) any report filed shall be deemed to include a claim of business confidentiality, and a request that the report be classified as protected pursuant to 63-2-304 and -308;

(ii) any report filed shall be classified by the department as protected pursuant to 63-2-304; and

(iii) any report filed shall be used by the department and law enforcement only for the purposes stated in this rule.

(g) Failure of an on-premise banquet licensee to timely file the quarterly reports may result in disciplinary action pursuant to 32A-1-119, 32A-4-406, and R81-1-6 and -7.

TITLE 32A - ALCOHOLIC BEVERAGE CONTROL ACT

(Updated through May 2008)

Chapter 14a - Alcoholic Beverage Liability

32A-14a-101. DEFINITIONS.

As used in this chapter:

(1) "DEATH OF A THIRD PERSON" includes recovery for all damages, special and general, resulting from such death, except punitive damages.

(2)(a) "INJURY" includes injury in person, property, or means of support.

(b) "INJURY" also includes recovery for intangibles such as mental and emotional injuries, loss of affection, and companionship.

32A-14a-102. Liability for injuries and damage resulting from distribution of alcoholic beverages -- Causes of action -- Statute of limitations -- Employee protections.

(1) (a) Except as provided in Section 32A-14a-103, a person described in Subsection (1)(b) is liable for:

(i) any and all injury and damage, except punitive damages to:

(A) any third person; or

(B) the heir, as defined in Section 78B-3-105, of that third person; or

(ii) for the death of a third person.

(b) A person is liable under Subsection (1)(a) if:

(i) the person directly gives, sells, or otherwise provides an alcoholic beverage:

(A) to a person described in Subsection (1)(b)(ii); and

(B) as part of the commercial sale, storage, service, manufacture, distribution, or consumption of alcoholic products;

(ii) those actions cause the intoxication of:

(A) any individual under the age of 21 years;

(B) any individual who is apparently under the influence of intoxicating alcoholic products or drugs;

(C) any individual whom the person furnishing the alcoholic beverage knew or should have known from the circumstances was under the influence of intoxicating alcoholic beverages or products or drugs; or

(D) any individual who is a known interdicted person; and

(iii) the injury or death described in Subsection (1)(a) results from the intoxication of the individual who is provided the alcoholic beverage.

(2) (a) A person 21 years of age or older who is described in Subsection (2)(b) is liable for:

(i) any and all injury and damage, except punitive damages to:

(A) any third person; or

(B) the heir, as defined in Section 78B-3-105, of that third person; or

(ii) for the death of the third person.

(b) A person is liable under Subsection (2)(a) if:

(i) that person directly gives or otherwise provides an alcoholic beverage to an individual who the person knows or should have known is under the age of 21 years;

(ii) those actions caused the intoxication of the individual provided the alcoholic beverage;

(iii) the injury or death described in Subsection (2)(a) results from the intoxication of the individual who is provided the alcoholic beverage; and

(iv) the person is not liable under Subsection (1), because the person did not directly give or provide the alcoholic beverage as part of the commercial sale, storage, service, manufacture, distribution, or consumption of alcoholic products.

(3) Except for a violation of Subsection (2), an employer is liable for the actions of its employees in violation of this chapter.

(4) A person who suffers an injury under Subsection (1) or (2) has a cause of action against the person who provided the alcoholic beverage in violation of Subsection (1) or (2).

(5) If a person having rights or liabilities under this chapter dies, the rights or liabilities provided by this chapter survive to or against that person's estate.

(6) The total amount that may be awarded to any person pursuant to a cause of action for injury and damage under this chapter that arises after January 1, 1998, is limited to \$500,000 and the aggregate amount which may be awarded to all persons injured as a result of one occurrence is limited to \$1,000,000.

(7) An action based upon a cause of action under this chapter shall be commenced within two years after the date of the injury and damage.

(8) (a) Nothing in this chapter precludes any cause of action or additional recovery against the person causing the injury.

(b) Any cause of action or additional recovery against the person causing the injury and damage, which action is not

brought under this chapter, is exempt from the damage cap in Subsection (6).

(c) Any cause of action brought under this chapter is exempt from Sections **78B-5-817** through **78B-5-823**.

(9) This section does not apply to a business licensed under Chapter 10, Part 1, General Provisions, to sell beer at retail only for off-premise consumption.

32A-14a-103. EMPLOYEE PROTECTED IN EXERCISING JUDGMENT.

(1) An employer may not sanction or terminate the employment of an employee of a restaurant, airport lounge, private club, on-premise beer retailer, or any other establishment serving alcoholic beverages as a result of the employee having exercised the employee's independent judgment to refuse to sell alcoholic beverages to any person the employee considers to meet one or more of the conditions described in Subsection 32A-14a-102(1).

(2) Any employer who terminates an employee or imposes sanctions on the employee contrary to this section is considered to have discriminated against that employee and is subject to the conditions and penalties set forth in Title 34A, Chapter 5, Utah Antidiscrimination Act.

32A-14a-104. GOVERNMENTAL IMMUNITY.

No provision of this title creates any civil liability on the part of the state or its agencies and employees, the commission, the department, or any political subdivision arising out of their activities in regulating, controlling, authorizing, or otherwise being involved in the sale or other distribution of alcoholic beverages.

32A-14a-105. ACTION FOR CONTRIBUTION BY PROVIDER OF ALCOHOLIC BEVERAGES.

(1)(a) Except as provided in Subsections (2) and (3), a person, as defined under Subsection 32A-14a-102(1), (2), or (3), against whom an award has been made under this chapter, may bring a separate cause of action for contribution against any person causing the injury and damage.

(b) The maximum amount for which any person causing the injury and damage may be liable to any person seeking contribution is that percentage or proportion of the damages equivalent to the percentage or proportion of fault attributed to that person causing the injury and damage.

(2) This action for contribution under this section may not be brought against:

(a) any person entitled to recovery as described in Subsection 32A-14a-102(1)(a)(i) or (ii); or

(b) any person entitled to recover as described in Subsection 32A-14a-102(2)(a)(i) or (ii).

(3) An action for contribution under this section may not diminish the amount of recovery for injury or damages awarded and received to any person entitled to recover as described in Subsection 32A-14a-102(1)(a)(i) or (ii) or 32A-14a-102(2)(a)(i) or (ii):

(a) in a cause of action brought under this chapter; or

(b) in a separate cause of action for injury and damage that is not brought under this chapter.

R81. Alcoholic Beverage Control, Administration.

R81-1-9. Liquor Dispensing Systems.

Proposed rule amendments (in italics) for R81-1-9 (Liquor Dispensing Systems):

A licensee may not install or use any system for the automated mixing or dispensing of spirituous liquor unless the dispensing system has been approved by the department.

(1) Minimum requirements. The department will only approve a dispensing system which:

(a) dispenses spirituous liquor in calibrated quantities not to exceed ~~[one ounce]~~ 1.5 ounces; and

(b) has a meter which counts the number of pours dispensed.

The margin of error of the system for a one ounce pour size cannot exceed 1/16 of an ounce or two milliliters.

(2) Types of systems. Dispensing systems may be of various types including: gun, stationary head, tower, insertable spout, ring activator or similar method.

(3) Method of approval.

(a) Suppliers. Companies which manufacture, distribute, sell, or supply dispensing systems must first have their product approved by the department prior to use by any liquor licensee in the state. They shall complete the "Supplier Application for Dispensing System Approval" form provided by the department, which includes: the name, model number, manufacturer and supplier of the product; the type and method of dispensing, calibrating, and metering; the degree or tolerance of error, and a verification of compliance with federal and state laws, rules, and regulations.

(b) Licensees. Before any dispensing system is put into use by a licensee, the licensee shall complete the "Licensee Application for Dispensing System Approval" form provided by the department. The department shall maintain a list of approved products and shall only authorize installation of a product previously approved by the department as provided in subsection (a). The licensee is thereafter responsible for verifying that the system, when initially installed, meets the specifications which have been supplied to the department by the manufacturer. Once installed, the licensee shall maintain the dispensing system to ensure that it continues to meet the manufacturer's specifications. Failure to maintain the system may be grounds for suspension or revocation of the licensee's liquor license.

(c) Removal from approved list. In the event the system does not meet the specifications as represented by the manufacturer, the licensee shall immediately notify the department. The department shall investigate the situation to determine whether the product should be deleted from the approved list.

(4) Operational restrictions.

(a) The system must be calibrated to pour a quantity of spirituous liquor not to exceed ~~[one ounce]~~ 1.5 ounces.

(b) Voluntary consent is given that representatives of the department, State Bureau of Investigation, or any law enforcement officer shall have access to any system for inspection or testing purposes. A licensee shall furnish to the representatives, upon request, samples of the alcoholic products dispensed through any system for verification and analysis.

(c) Spirituous liquor bottles in use with a dispensing system at the dispensing location must be affixed to the dispensing system by the licensee. Spirituous liquor bottles in use with a remote dispensing system must be in a locked storage area. Any other primary spirituous liquor not in service must remain unopened. There shall be no opened primary spirituous liquor bottles at a dispensing location that are not affixed to an approved dispensing device. ~~[This rule does not prohibit the presence of opened containers of wine for use as provided by law.]~~

(d) The dispensing system and spirituous liquor bottles attached to the system must be locked or secured in such a place and manner as to preclude the dispensing of spirituous liquor at times when liquor sales are not authorized by law.

(e) All dispensing systems and devices must

(i) avoid an in-series hookup which would permit the contents of liquor bottles to flow from bottle to bottle before reaching the dispensing spigot or nozzle;

(ii) not dispense from or utilize containers other than original liquor bottles; and

(iii) prohibit the intermixing of different kinds of products or brands in the liquor bottles from which they are being dispensed.

(f) Pursuant to federal law, all liquor dispensed through a dispensing system shall be from its original container, and there shall be no re-use or refilling of liquor bottles with any substance whatsoever. The commission adopts federal regulations 27 CFR ~~[494]~~ 31.261 – 31.262 and 26 USC[A] Section 5301 and incorporates them by reference.

(g) Each licensee shall keep daily records for each dispensing outlet as follows:

(i) a list of the brands of liquor dispensed through the dispensing system;

(ii) [beginning and ending meter readings by brand or sales price level and] the number of portions of liquor dispensed through the dispensing system determined by the calculated difference between the beginning and ending meter readings and/or as electronically generated by the recording software of the dispensing system;

(iii) number of portions of liquor sold [by brand or sales price level]; and

(iv) a comparison of the number of portions dispensed to the number of portions sold including an explanation of any variances [by brand or sales price level].

(v) These records must be made available for inspection and audit by the department or law enforcement.

(h) This rule does not prohibit the sale of pitchers of mixed drinks as long as the pitcher contains no more than ~~[one ounce]~~ 1.5 ounces of primary spirituous liquor and no more than a total of 2.5 ounces of spirituous liquor per person

to which the pitcher is served.

(i) Licensees shall display in a prominent place on the premises a list of the types and brand names of spirituous liquor being served through its dispensing system. This requirement may be satisfied either by printing the list on an alcoholic beverage menu or by wall posting or both. No lists which are wall posted on the premises of a restaurant licensee may be smaller than 8 1/2 by 11 inches.

(j) A licensee or his employee shall not:

(i) sell or serve any brand of spirituous liquor not identical to that ordered by the patron; or

(ii) misrepresent the brand of any spirituous liquor contained in any drink sold or offered for sale.

(k) All dispensing systems and devices must conform to federal, state, and local health and sanitation requirements. Where considered necessary, the department may:

(i) require the alteration or removal of any system,

(ii) require the licensee to clean, disinfect, or otherwise improve the sanitary conditions of any system.

Proposed rule change: **Repeal R81-1-10 (Wine Dispensing) in its entirety.**

~~[R81-1-10. Wine Dispensing.~~

~~_____ (1) Each licensee shall keep daily records that compare the number of portions of wine by the glass dispensed to the number of portions sold. These records shall indicate:~~

~~_____ (a) the brands of each wine dispensed by the glass;~~

~~_____ (b) the portion size, not to exceed five ounces per portion, and the number of portions dispensed by the glass of each wine by brand and sales price level;~~

~~_____ (c) the portion size and number of portions sold by the glass of each wine by brand and sales price level; and~~

~~_____ (d) a comparison of the number of portions dispensed to the number of portions sold including an explanation of any variances.~~

~~_____ These records must be made available for inspection and audit by the department or law enforcement.]~~

TITLE 32A- ALCOHOLIC BEVERAGE CONTROL ACT

32A-1-401. ALCOHOL TRAINING AND EDUCATION -- REVOCATION OR SUSPENSION OF LICENSES.

(1) The commission may suspend, revoke, or not renew the license of any licensee if any of the following persons, as defined in Section 62A-15-401, fail to complete the seminar required in Section 62A-15-401:

(a) a person who manages operations at the premises of the licensee;

(b) a person who supervises the serving of alcoholic beverages to a customer for consumption on the premises of the licensee; or

(c) a person who serves alcoholic beverages to a customer for consumption on the premises of the licensee.

(2) A city, town, or county in which an establishment conducts its business may suspend, revoke, or not renew the business license of the establishment if any person described in Subsection (1) fails to complete the seminar required in Section 62A-15-401.

R81. Alcoholic Beverage Control, Administration.

R81-1-12. Alcohol Training and Education Seminar.

(1) The alcohol training and education seminar, as described in Section 62A-15-401, shall be completed by every individual of every new and renewing licensee under title 32A who:

(a) is employed to sell or furnish alcoholic beverages to the public within the scope of his employment for consumption on the premises;

(b) is employed to manage or supervise the service of alcoholic beverages; or

(c) holds an ownership interest in an on-premise licensed establishment and performs the duties of a manager, supervisor, or server of alcoholic beverages.

(2) Persons described in subsection 1(a) and (b) must complete the training within 30 days of commencing employment. Persons described in subsection 1(c) must complete the training within 30 days of engaging in the duties described in subsection 1(a) and (b).

(3) Each licensee shall maintain current records on each individual indicating:

(a) date of hire, and

(b) date of completion of training.

(4) The seminar shall include the following subjects in the curriculum and training:

(a) alcohol as a drug and its effect on the body and behavior;

(b) recognizing the problem drinker;

- (c) an overview of state alcohol laws;
- (d) dealing with problem customers; and
- (e) alternate means of transportation to get a customer safely home.
- (5) Persons required to complete the seminar shall pay a fee to the seminar provider.
- (6) The seminar is administered by the Division of Substance Abuse of the Utah Department of Human Services.
- (7) Persons who are not in compliance with subsection (2) may not:
 - (a) serve or supervise the serving of alcoholic beverages to a customer for consumption on the premises of a licensee; or
 - (b) engage in any activity that would constitute managing operations at the premises of a licensee.



**U.S. DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU**

**REMINDER
Retailers Of Beverage Alcohol Products**

If you sell beverage alcohol as part of your business, you must pay an annual special occupational tax. Beverage alcohol means distilled spirits, wine, beer, mixed drinks, and beer or wine coolers. This tax applies to persons who sell on or off premises or who provide alcoholic beverages as part of the cost of an item or service. You may owe this tax even when you will not make a profit or when you are exempt from income tax.

Detailed information, forms, and taxpayer assistance, is available at web site of the ALCOHOL AND TOBACCO TAX AND TRADE BUREAU:

<http://www.ttb.gov/alcohol/retailers/index.htm>

You must file and pay the special occupational tax on form ATF F 5630.5. You can print or download ATF Form 5630.5 or you can request a packet with the form and instructions by calling the Alcohol and Tobacco Tax and Trade Bureau's toll-free number at 800-937-8864 or local to 513-684-2979.

REVISED APRIL 22, 2005

Suspension of Special Occupational Tax Payments

Washington, D.C. - On October 22, 2004, H.R. 4520, the American Job Creations Act of 2004, was signed into law. As part of this act, the payment of Special Occupational Tax (SOT) will be suspended for certain businesses.

Although most taxpayers no longer will have to pay this tax during the suspension period, others will still be required to continue paying, and all taxpayers must still file the SOT Tax Return (TTB Form 5630.5) annually with the Alcohol and Tobacco Tax and Trade Bureau (TTB).

Currently, SOT is due by July 1 of every year for most businesses engaged in alcohol and tobacco industries at the manufacturing, wholesaling/importing, and retailing levels (tobacco retailers are not included).

With this new law, most SOT taxpayers will no longer be required to pay this tax for the period beginning July 1, 2005. The suspension of the SOT requirement will last three years and ends on June 30, 2008. No SOT is due for operations conducted between these dates.

Payment of SOT will no longer be required from producers, wholesalers, importers, and retailers of alcohol beverages, as well as manufacturers of non-beverage products.

SOT will remain due by Tax-Free Alcohol Users and Specially Denatured Alcohol Users and Dealers as well as Tobacco Products Manufacturers and Tobacco Export Warehouse Proprietors.

For all industry members, SOT remains due and payable for all persons in business and any new business until July 1, 2005. Any liabilities up until that date will still be due, even during the suspension period.

If you have questions regarding the suspension of SOT, please contact TTB's National Revenue Center at 1-(800) 937-8864 or (513) 684-2979.